



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

July 24, 2019

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

RE: Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992 Third Report and Order, MB Docket No. 05-311

Dear Ms. Dortch:

I am writing in support of the Federal Communication Commission's efforts to clarify the fee structures and regulatory roles of local franchising authorities (LFAs) through the Implementation of Section 621(a)(1) Third Report and Order.

Wireline capacity is an essential part of connectivity and closing the digital divide. As such, it is vital the cable operators are able to fully compete in order to enhance existing networks and build new infrastructure.

Recognizing the need to provide greater clarity to cable operators, Congress limited the franchise fees LFAs could collect to five percent of gross revenues from cable services in 1984. Likewise, in 2007 and 2015 the Commission issued rules clarifying that in-kind contributions count toward the five percent fee cap and that LFAs cannot use their authority to regulate non-cable services. The Third Report and Order affirms this.

However, the cable franchising rules were modified in the 1990s and 2000s, enabling LFAs to exceed the five percent cap by requiring unwarranted in-kind contributions not related to cable services. This harmed innovation by blocking new entrants and hindering operators' ability to compete. In addition, in order to offset the excessive fees, some cable operators would pass the costs onto consumers.

This Order will be instrumental in closing the digital divide, which is one of the Commission's primary goals. If cable operators are less concerned about paying exorbitant and unnecessary fees, they can focus more on investing in and enhancing their networks.

I appreciate the Commission's work to foster competition by decreasing regulatory barriers for cable deployment. If you should have any questions or comments, please contact me or Katie McAuliffe by phone, 202-785-0266, or email, kmcauliffe@atr.org.

Onward,

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